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PRESS RELEASE

Association of European Business (AEB) survey results announced:
“Strategies and Prospects of AEB Member Companies in Russia”.

The Association of European Business (AEB) and the Institute for Market Research GfK Rus have announced the results of the AEB member companies’ survey. According to the research, 72% of the respondents plan to increase their investments in Russia in 2011.

The survey analyses the comfort level of European business in Russia, evaluating the country’s investment climate. The respondents are top-managers of 105 companies, all AEB members.

The respondents cover the AEB member base in terms of key countries of origin (Germany – 12%, France – 11%, UK-10%, Netherlands – 10%, USA – 10%, Sweden – 9%, Finland and Switzerland - 6% each, Austria, Italy and Russia – 4% each) and other (13%).

Most of these companies provide professional solutions (24%), financial services (14%), the automotive industry, engineering & construction, FMCG & Retail (10% each).

The main reasons to enter the Russian market for the AEB members were the potential size of the market (71% of respondents) and positive market dynamics (49%). These most important criteria meet the expectations of the respondents: 75% of the companies are satisfied with the development opportunities in Russia.

Most companies (69%) reported that their turnover in Russia increased last year. The most significant barriers to borrowing in 2011 will be high interest rates (30%) and restricted provision of credit by banks (18%), according to the survey.

The quantity of foreign employees in Russia increased from 10% in 2009 to 23% in 2010. The majority of Europeans are represented in general management(69%) and sales (31%).

The main obstacles to business in Russia are regulatory restrictions (42%) and a lack of qualified personnel (26%), the respondents said.

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Even though the AEB members are not hoping for quick improvements in regard to corruption (44%) and bureaucracy (40%), the economic outlook is optimistic: most investors (72%) expect growth in the short-term (1-2 years) and long-term (6-10 years).

“The results of this survey are not surprising”, said Frank Schauff, CEO of the AEB. “The European investors are attracted by the size of the Russian market and its potential. However, such issues as corruption and lack of qualified specialists might push back business development. Now is the time for the Russian government to face these challenges and solve the problems in order to provide further sustainable development”.

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About the AEB

Founded in 1995, the AEB is an independent non-commercial association with a membership of over 600 companies from across the European Union and Russia. Our members range from large multi-national corporations to SMBs and are united by their commitment to forging stronger economic ties between the EU and Russia, as well as improving the business environment here in Russia.

About GfK Rus

The Institute for Market Research - GfK Rus - is the Russian subsidiary of the GfK Group, one of the largest global market research organizations in the world.

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